

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF THOMAS	)	APPEAL NO. 06-A-2124
JOSEPH FLEMING from the decision of the Board	)	FINAL DECISION
of Equalization of Clearwater County for tax year 2006.	)	AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER was heard on the written record created. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. The parties completed written submissions by November 15, 2006. This appeal is taken from a decision of the Clearwater County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP015000040070A.

**The issue on appeal is the market value of a residential property.**

**The decision of the Clearwater County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$23,261, and the improvements' valuation is \$112,260, totaling \$135,521. Appellant requests the land value remain at \$23,261, and the improvements' value be reduced to \$80,739, totaling \$104,000.

The subject property is located in a rural subdivision just outside of Orofino, Idaho. The subject property is a 1,313 square foot, one (1) story residence built in 1994.

Taxpayer objected to the 2006 increase in assessed value and maintained the new value was excessive. Subject residence is older than most of the dwellings in its neighborhood. There are no curbs, the access road is not maintained by the County and the subdivision has reportedly poor drainage.

Respondent's Exhibit 1 reveals that there are eight (8) wood frame dwellings in subject's subdivision. Five (5) were built prior to Appellant's and two (2) were built after.

The Assessor analyzed four (4) improved sales from subdivisions outside city limits. The subdivisions were described as similar to subject's subdivision. Exhibit 4 reveals the sales used and associated details. Sales are classified by square footage and condition. Subject residence is 12 years old and in average condition. Whereas the average age of the homes referenced was 58 years old. One example, was a 99 year old home considered to be in very poor condition. The price paid was \$75.45 per square foot which is more than subject's assessed value per square foot of \$71.86.

The Assessor's Exhibit 5, Chart B shows assessed values of other wood frame homes between the ages of 9 and 16 years. The average assessed value for these homes is \$74.73 per square foot. Chart C shows homes between the ages of 9 and 24 years with an average assessed value per square foot of \$71.25.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Appellant maintains subject property is valued excessively. On review, the Board finds this claim was not well supported. There was very little documentation of current market price levels, nor was there any appraisal-like analysis of comparable sales for the Board to consider. No errors were demonstrated in the property characteristics reflected in County records. Appellant primarily claimed subject's assessment should not increase with the home being older and there being modest and unchanged neighborhood characteristics.

The State Legislature has made Idaho a "market value" state for property tax purposes.

Many property tax statutes express this standard including those below.

63-205. ASSESSMENT -- MARKET VALUE FOR ASSESSMENT PURPOSES. (1)  
All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided. Market value for assessment purposes shall be determined according to the requirements of this title or the rules promulgated by the state tax commission.

63-201. DEFINITIONS. As used for property tax purposes in title 63, chapters 1 through 23, Idaho Code, the terms defined in this section shall have the following meanings . . .

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is typically measured (appraised) through consideration of three traditional approaches to value, the cost, the sales comparison, and the income approaches. Consideration of comparable sales (the sales comparison method) is considered good evidence of market value for older residential property like subject. In our review, the County comparable sales appear to support subject's assessed value. Multiple sales were considered and compared to subject. From the record, and on average, subject was not assessed excessively in comparison to other similar properties. Appellant did not present any current cost or price evidence of market value. Appellant has not shown error in the assessment. Therefore the decision of the Board will be to affirm the County's assessment of subject property for 2006.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Clearwater County Board of Equalization concerning the subject parcel be, and the same hereby

is, AFFIRMED.

DATED this 15<sup>th</sup> day of March , 2007.